

Thomas-Jensen Affirmation

Exhibit # 29

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF NEW YORK; et al.,

Plaintiffs,

v.

DONALD TRUMP, in his official capacity as
President of the United States; et al.,

Defendants.

C.A. No. 1:25-cv-00039-JJM-PAS

DECLARATION OF NANCY FARIAS WOMACK

I, Nancy Farias Womack, declare as follows:

1. I am a resident of the State of California. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am currently employed as the Director of the California Employment Development Department (EDD or Department).

3. EDD enhances California's economic growth and prosperity by collaboratively delivering valuable and innovative services to meet the evolving needs of employers, workers, and job seekers. The Department connects employers with job seekers, administers California's Unemployment Insurance, Disability Insurance, and Paid Family Leave programs, and provides employment and training programs under the federal Workforce Innovation and Opportunity Act. Additionally, the Department collects various employment payroll taxes, including the personal income tax, and collects and provides comprehensive economic, occupational, and socio-demographic labor market information concerning California's workforce.

4. As EDD's Director, I am responsible for overseeing the administration of programs funded by federal financial assistance.

5. EDD is the program administrator for itself, the California Unemployment Insurance Appeals Board (CUIAB), and the California Workforce Development Board (CWDB), all of which are instrumentalities of California State government. As program administrator, EDD is responsible for accessing the federal grant funding for these entities and making it available for expenditure.

6. Upon information and belief, for Federal Fiscal Year 2025 (FFY25), EDD has so far been allocated \$7.4 million in funding through March 14, 2025, via federal continuing resolutions. The JVSG program, administered by United States Department of Labor (USDOL), provides federal funding to State Workforce agencies such as EDD through a formula grant. EDD's JVSG funding provides funds to employ approximately 125 staff members who provide individualized career-related services and access to training-related services to eligible veterans who have qualifying employment barriers, as well as other authorized populations (including eligible spouses), with an emphasis on assisting veterans who are economically or educationally disadvantaged. Veterans facing these barriers include those experiencing homelessness and vocational rehabilitation clients. These services are essential in assisting eligible veterans to obtain gainful employment which, in turn, assists them in maintaining housing and meeting their daily needs.

7. Upon information and belief, for State Fiscal Year 2024 (SFY24), which began on July 1, 2024, and ends on June 30, 2025, EDD was allocated \$445.7 million in federal formula grants under the Workforce Innovation and Opportunity Act (WIOA). These grant funds are distributed to 45 regional Local Workforce Development Areas to support projects that enable workers to obtain good jobs by providing them with job search assistance, career services, and training opportunities. This program also helps employers meet their workforce needs. EDD partners with California's Local Workforce Development Areas and shares office space in 60 of the 175 American Job Centers of California (AJCCs) throughout the state that rely on this federal funding to operate their programs. AJCCs provide individualized career and training services and must give priority to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient. The AJCCs also provide workforce education, training,

and employment programs to help workers overcome barriers to employment and get back to work as quickly as possible following job loss, mass layoffs, global trade dynamics, or transitions in economic sectors.

8. Upon information and belief, for SFY24 EDD was allocated \$80.7 million in federal funding under the Wagner-Peyser Act of 1933 (Wagner-Peyser), a core program under WIOA. EDD uses this funding to administer CalJOBS, a digital labor exchange system that creates a statewide network for connecting employers with qualified job seekers throughout California. CalJOBS is available both online and at AJCCs, and Wagner-Peyser funding is critical to the AJCCs' ability to provide this service. All recipients of unemployment insurance benefits are required to register with CalJOBS.

9. Upon information and belief, for FFY24 EDD was allocated \$382.4 million and for FFY25 EDD has been allocated \$148.3 million in Unemployment Insurance Program grants administered by USDOL via continuing resolution. EDD uses these federal funds to administer California's Unemployment Insurance Program (UI Program), which provides unemployment benefits (i.e., cash payments) to eligible workers who become unemployed through no fault of their own and meet other eligibility requirements. In addition to the funding which supports the administration of California's UI program, the following federal supplemental grants support the UI Program by funding projects to help prevent fraud and to support greater access to the program. USDOL has approved approximately \$3.5 million in integrity grants for the UI Program, which funds projects intended to: prevent and detect fraud by strengthening the UI Program's ability to verify individuals' identity, and employ recommended strategies; provides resources to improve overpayment recovery; and supports EDD's modernization efforts. USDOL also has approved approximately \$9.1 million in equity grant funding for the UI Program, that

supports greater public awareness of, and access to, the UI Program. USDOL also has approved approximately \$5.9 million in UI Tiger Team Initiative funding. Tiger Teams are comprised of multidisciplinary experts across states whose focus is to evaluate current UI programs and develop recommendations that states can implement to improve accessibility in state UI systems, improve timeliness and backlog issues through means such as technology improvements to streamline current processes, and help with fraud prevention and detection. The UI Program is critical to assist workers with necessities during periods of unemployment and supports local economies during economic downturns. In calendar year 2024, over 2.27 million unemployment insurance claims were filed by California workers and \$6.6 billion in unemployment benefits were paid. The federal grants are necessary to help ensure California's UI Program integrity, ensure that eligible claimants can access program benefits, and improve modernization efforts.

10. EDD receives several other federal grants for smaller programs, such as Labor Force Statistics, Temporary Labor Certification for Foreign Workers, the Work Opportunity Tax Credit Program, to name a few. These programs provide critical services to the people of the State of California in the labor and employment area.

11. EDD's budget for the state's current fiscal year, from July 1, 2024 to June 30, 2025, has relied on receipt of the above-described federal financial assistance, and EDD has made plans and allocated funding for staffing and programs based on the anticipated receipt of the promised federal funding.

12. I have reviewed the Memorandum for Heads of Executive Departments and Agencies, M-25-13, dated January 27, 2025, issued by the Executive Office of the President of the United States, Office of Management and Budget, Matthew J. Vaeth, Acting Director, regarding "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs"

(“OMB Memo”). It is my understanding that the OMB Memo directed all federal agencies to “pause” all activities related to disbursement of all federal financial assistance, which I understand would include federal grant disbursements to EDD, CUIAB, CWDB, including the federally funded EDD programs and services discussed above.

13. The OMB Memo created confusion and uncertainty for the Department about whether and when we would receive our federal grant disbursements, including how long they would be “paused.”

14. The indefinite funding pause ordered by the OMB Memo, or carried out under a different name or any other similar policy or directive, would prevent EDD from serving and meeting some of our critical, federally funded missions described above.

15. Upon information and belief, Payment Management Services (PMS) is an electronic system that processes grant payments for the federal government. For WIOA funds, Local Workforce Development Areas submit payment requests to EDD and, after approval, EDD submits the payment requests to USDOL through PMS. With 45 Local Workforce Development Areas in California, EDD receives these requests daily. Typically, the PMS system approves and pays these requests within 24 hours such that EDD can, in turn, pay the requests as they come in. A delay of more than a few days in PMS payments would result in funding shortages for Local Workforce Development Areas, who rely on these funds to carry out program objectives, provide services, and make payroll.

16. Following the issuance of the OMB Memo, EDD began experiencing delays in receiving WIOA payments through PMS. Upon information and belief, on January 24, 2025, EDD submitted a payment request through PMS for \$2.3 million, which had a delivery date of January 27, the date of the OMB Memo. The payment was not delivered as scheduled, as it

ordinarily would be. On Monday, January 27, EDD submitted another payment request of \$1.5 million with a delivery date of Tuesday, January 28. By January 28, neither payment had been received.

17. Upon information and belief, on Tuesday, January 28, during the period when EDD staff were noticing delays in getting payments approved through PMS, the PMS system also posted new hours of operation; effective immediately, it would only be available during the hours of 9am to 4pm EST Monday through Friday. PMS posted an additional notice indicating payment delays: “Due to Executive Orders regarding potentially unallowable grant payments, PMS is taking additional measures to process payments. Reviews of applicable programs and payments will result in delays and/or rejections of payments.”

18. Also on Tuesday, January 28, EDD made a WIOA payment request of \$1.8 million with a delivery date of January 29. Because payment requests were still pending and because EDD had already funded \$3.8 million to Local Workforce Development Areas, leaving EDD with insufficient funds available to fund further Local Workforce Development Area requests, on Tuesday afternoon, January 28, EDD opted to not approve any further Local Workforce Development Area WIOA subgrant requests until such time as EDD received the federal payment for which its requests were still pending.

19. On Wednesday, January 29, these matters were resolved and approved, and WIOA payment was received. Accordingly, EDD resumed funding local requests on January 29.

20. On Thursday, January 30, EDD resumed submitting payment requests through PMS with a delivery date of Friday, January 31. However, by Friday the \$13.5 million was still pending in PMS. Payment was not approved nor received until Tuesday, February 4.

21. Upon information and belief, for the UI Program, Wagner-Peyser Program, and other federal programs EDD administers, payment requests are generally submitted monthly through PMS. Like WIOA payment processing, these requests are typically fulfilled within 24 hours so that EDD can cover its administrative expenses. To date EDD has not experienced funding delays for any of these programs, but extended pauses in payments would result in EDD not being able to make monthly payroll and other payments timely, which would hinder EDD's ability to administer these critical programs for the State of California.

22. Upon information and belief, on Friday, January 31, EDD received an email from USDOL's Employment Training Administration's Office of Unemployment Insurance (ETA UI) advising that the OMB Memo had been rescinded. The email also advised that federal government was they were aware of payment delays in PMS, but grantees should now be available to draw down funds.

23. Upon information and belief, also on Friday, January 31, EDD received an email from USDOL OFLC advising of the rescinded OMB memo and that OFLC was aware of PMS issues.

24. Upon information and belief, on Friday, January 31, EDD received conflicting emails from ETA UI informing states of new operating hours for PMS, the first advising that operating hours were 9am to 4p EST Monday through Friday, the second advising that operating hours were 5am to 9pm EST Monday through Friday, and the third advising that hours of operation are actually 5am to 4pm EST Monday through Friday.

25. Upon information and belief, throughout the day on Saturday, February 1, EDD received notifications from the GrantSolutions system (the system the Federal government uses to support the grant lifecycle) advising that notes were being added by grants staff to every

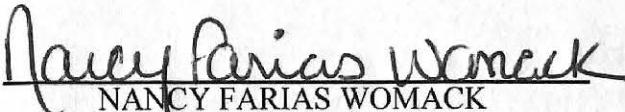
federal award they administer regarding the issuance of temporary restraining order in this matter. These notes continued to be added on Sunday, February 2 along with a direct notification to grant recipients regarding the temporary restraining order.

26. Upon information and belief, on Monday, February 3, EDD received an email from USDOL VETS attaching a notice of the temporary restraining order in this matter. Upon information and belief, on Monday, February 3, EDD also received an email from the Bureau of Labor Statistics regarding the issuance of the TRO.

27. Based upon the forgoing, we remain significantly concerned that disbursements under some or all of EDD's open federal grant funding will be paused or delayed again for an undetermined amount of time, as a result of a policy to pause all federal financial assistance disbursements under our federal financial assistance funding streams. Such pauses will cause irreparable harm where they result in the critical, federally funded services described above being delayed or possibly not provided at all. For example, extended pauses in EDD's federal financial disbursements could necessitate the elimination of the special services EDD provides to veterans who are seeking to acquire job skills and employment, including veterans experiencing homelessness; the reduction of other career and training services EDD provides to individuals seeking employment, including public assistance recipients and other low-income individuals; and a reduced level of service with regard to the processing and approval of unemployment insurance claims and the payment of unemployment insurance benefits.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 5, 2025, at Sacramento, California.


NANCY FARIAS WOMACK